
HOUSE BILL No. 1226

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-13-2; IC 9-22-6; IC 9-29-7-8.

Synopsis: State licensure of towing services. Requires a towing service to secure a license with a fee of \$150 a year from the bureau of motor vehicles (bureau) in order to engage in the business of towing services. Authorizes a county or a municipality to adopt an ordinance regarding the licensing of towing services with stricter standards of operation. Makes it a Class A infraction to fail to secure or renew a towing service license, and a Class C infraction to fail to notify the bureau of a change in name or location or the cessation of business of a towing service licensed business. Makes an appropriation.

Effective: July 1, 2008.

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January 14, 2008, read first time and referred to Committee on Roads and Transportation.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1226

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 9-13-2-110.6 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2008]: **Sec. 110.6. "Municipality" has the**
4 **meaning set forth in IC 36-1-2-11.**

5 SECTION 2. IC 9-13-2-179, AS AMENDED BY P.L.191-2007,
6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2008]: Sec. 179. "Towing service" means a person that
8 engages in moving or removing abandoned or disabled vehicles and,
9 once the vehicles are moved or removed, ~~stores may store or impounds~~
10 **impound** the vehicles.

11 SECTION 3. IC 9-22-6 IS ADDED TO THE INDIANA CODE AS
12 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
13 1, 2008]:

14 **Chapter 6. Licensing of Towing Services**

15 **Sec. 1. This chapter does not apply to a towing service that is**
16 **operated by a municipality or a county.**

17 **Sec. 2. A towing service must be licensed under this chapter in**

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order to engage in the business of moving or removing abandoned or disabled vehicles, whether or not the towing service operates a storage yard as a part of the business.

Sec 3. An application for a license under this chapter must:

- (1) be accompanied by the fee required under IC 9-29-7-8(a);
- (2) be on a form prescribed by the bureau;
- (3) contain the information the bureau considers necessary to enable the bureau to determine fully:

- (A) the qualifications and eligibility of the applicant to receive the license;

- (B) the location of the applicant's place of business in Indiana; and

- (C) the ability of the applicant to conduct properly the towing related business for which the application is submitted; and

- (4) contain proof of the applicant's holding of minimum standards of financial responsibility for any recovery vehicles owned or leased by the applicant in the amounts set forth in IC 9-25-4-6.

The bureau shall maintain the records of the applications for a towing service license.

Sec. 4. If the bureau is satisfied that an applicant meets the requirements contained in section 3 of this chapter, the commissioner shall issue a towing service license to the applicant.

Sec. 5. A towing service license is valid for one (1) year from the date of issuance and must be renewed for the towing service to continue to engage in the business of towing services.

Sec. 6. If the business name or address of a licensed towing service is changed, the holder of the license shall notify the bureau within ten (10) days of the change. The commissioner shall endorse the change in the records of the bureau kept under section 3 of this chapter.

Sec. 7. A license issued under this chapter shall be applied for and renewed in accordance with the following schedule:

- (1) A person whose business name begins with the letters A through B, inclusive, shall register before March 1 of each year.
- (2) A person whose business name begins with the letters C through D, inclusive, shall register before April 1 of each year.
- (3) A person whose business name begins with the letters E through G, inclusive, shall register before May 1 of each year.
- (4) A person whose business name begins with the letters H

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through I, inclusive, shall register before June 1 of each year.

(5) A person whose business name begins with the letters J through L, inclusive, shall register before July 1 of each year.

(6) A person whose business name begins with the letters M through O, inclusive, shall register before August 1 of each year.

(7) A person whose business name begins with the letters P through R, inclusive, shall register before September 1 of each year.

(8) A person whose business name begins with the letters S through T, inclusive, shall register before October 1 of each year.

(9) A person whose business name begins with the letters U through Z, inclusive, shall register before November 1 of each year.

A sole proprietor shall register based upon the name of the sole proprietorship.

Sec. 8. A holder of a license under this chapter must maintain minimum standards of financial responsibility for any recovery vehicles owned or leased by the holder in the amounts set forth in IC 9-25-4-6.

Sec. 9. The bureau may issue a duplicate license if the holder of a license under this chapter has more than one (1) place of business. The holder of a license shall post the original license or the duplicate in a conspicuous place at each place of business of the holder.

Sec. 10. A person who ceases business for which a license was issued under this chapter shall notify the bureau of the date that the business activity ceased within ten (10) days of the cessation of the business activity.

Sec. 11. (a) A license issued or renewed under this chapter may be denied, suspended, or revoked for any of the following:

(1) Material misrepresentation in the application for or renewal of the license or other information filed with the bureau.

(2) Lack of fitness under the standards set forth in this article or a rule adopted by the bureau under this article.

(3) Willful failure to comply with the provisions of this article or a rule adopted by the bureau under this article.

The procedures set forth in IC 4-21.5 govern the denial, suspension, or revocation of a license and a judicial review. A denial, suspension, or revocation of a license takes effect after the

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1 commissioner makes a determination and notice of the
2 determination has been served upon the affected person.

3 (b) If the commissioner denies, suspends, or revokes a license
4 issued or sought under this article, the affected person may file an
5 action in the circuit court of Marion County, Indiana, or the circuit
6 court of the county in which the person's principal place of
7 business is located, seeking a judicial determination as to whether
8 the action is proper. The filing of an action as described in this
9 section within the thirty (30) day period is an automatic stay of the
10 commissioner's determination.

11 Sec. 12. A towing service subject to this chapter must fulfill the
12 requirements of IC 24-4-6-2(b).

13 Sec. 13. Notwithstanding IC 36-1-3-8(a)(7), a county or a
14 municipality may adopt an ordinance regarding the licensing of
15 towing services with standards of operation that exceed those set
16 forth in this chapter.

17 Sec. 14. The bureau may adopt and enforce rules under
18 IC 4-22-2 that are necessary to enforce this chapter.

19 Sec. 15. A towing service required to hold a license under this
20 chapter must hold a license under IC 9-22-4 if the towing service
21 engages in the business of storing, disposing, salvaging, or recycling
22 of vehicles, vehicle hulks, or the parts of vehicles.

23 Sec. 16. (a) A person who fails to secure or renew a license as
24 required under sections 2 and 7 of this chapter commits a Class A
25 infraction.

26 (b) A person who fails to notify the bureau as required under
27 sections 6 and 10 of this chapter commits a Class C infraction.

28 SECTION 4. IC 9-29-7-8 IS ADDED TO THE INDIANA CODE
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
30 1, 2008]: Sec. 8. (a) The license fee for a towing service license or
31 renewal issued under IC 9-22-6-4 is one hundred fifty dollars
32 (\$150).

33 (b) The revenues from the license fees for towing services
34 collected under subsection (a) shall be deposited in the motor
35 vehicle highway account established under IC 8-14-1.

36 (c) All necessary expenses incurred by the bureau in the
37 administration of IC 9-22-6 shall be paid out of funds appropriated
38 from the motor vehicle highway account for this purpose.

39 SECTION 5. [EFFECTIVE JULY 1, 2008] (a) Notwithstanding
40 IC 9-22-6-7, as added by this act, a person that engages in the
41 business of moving or removing abandoned or disabled vehicles
42 whose business name begins with the letters A through L, inclusive,

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1 is not required to apply for a towing service license with the bureau
2 of motor vehicles until the month in 2009 required by
3 IC 9-22-6-7(1) through IC 9-22-6-7(5), as added by this act.
4 (b) This SECTION expires December 31, 2009.

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